GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1998
ANSWERED ON:29.11.2007
AD- HOC GROUP OF EXPERTS
Yerrannaidu Shri Kinjarapu

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government has set up an Ad-hoc Group of Experts (AGE) to issue guidelines to Central Public Sector Enterprises, Recommend transfer of Assets, Floating of Fresh Equity and disinvestments of Share-holding in their subsidiaries;

(b) if so, the details thereof;

(c) whether the Government has given Budgetary Support to help Public-Sector Enterprises earn profits; and

(d) if so, the details thereof?

Answer

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) and (b) : The National Common Minimum Programme (NCMP) inter-alia pledges to devolve full managerial and commercial autonomy to successful, profit making companies operating in a competitive environment. In pursuance of this, an Ad- Group of Experts (AGE) was set up in November, 2004 to consider issues like autonomy, greater delegation of financial powers, corporate governance, effective functioning in a competitive environment, etc. related to the Central Public Sector Enterprises (CPSEs). The Group submitted its Report in April, 2005. Based on the recommendations of AGE, the Government has inter-alia approved :-

(i) Enhancing the financial and operational powers delegated to Navratna, Miniratna and other profit making CPSEs in the areas of capital expenditure, investment in joint ventures/ subsidiaries, mergers & acquisitions, etc.

(ii) Empowering the holding companies to transfer assets, floating of fresh equity and divestment of shareholding in subsidiaries subject to certain conditions.

(c) and (d) : The NCMP further provides that every effort will be made to modernize and restructure sick PSEs. In terms of this policy, the Government had constituted Board for Reconstruction of Public Sector Enterprises (BRPSE) in December, 2004. Based on the recommendations of BRPSE, the Government has so far approved revival package of 26 CPSEs involving cash assistance of Rs. 1941 crore and non-cash assistance of Rs. 6322 crore.